

**Jordan, Sheron Y**

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**From:** Ralph Goodwin [ralphandtonigoodwin@yahoo.com]  
**Sent:** Monday, March 02, 2009 3:53 PM  
**To:** \_Board Mail  
**Subject:** corporate problem

Dear Board members:

As a 40-year credit union member and a 30-year CU employee, I am concerned that I have not heard anything in the trade publications concerning what I think are two of the most important issues behind the corporate problem.

First, the apparent failure of the methodology used by the bond rating companies. It is beyond comprehension that ANY portfolio of sub-prime mortgages could be rated AA or AAA. Anyone who has been close to the real estate mortgage market knows that the only way these sub-prime mortgages can be paid is by the sale of the property in a constantly increasing market. We also know that at some point the market will stop going up.

Second, it is difficult to understand how all of the federal regulators took these bond ratings at face value without diligently looking into the underlying methodology used by these rating companies, which was obviously flawed. The real unfortunate fact is that CU members are left to pick up the tab for these failings.

I do want to congratulate all present and past NCUA board members who have helped credit unions avoid being caught up in the chaos that the banking industry currently finds itself.

Sincerely,

Ralph Goodwin  
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